STATE OF ILLINOIS SECRETARY OF STATE SECURITIES DEPARTMENT

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IN THE MATTER OF: Heritage, Inc., d/b/a Heritage Deposit Brokers)	FILE NO. 1100254
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ORDER OF PROHIBITION

TO THE RESPONDENT:

Heritage, Inc.

d/b/a Heritage Deposit Brokers

500 North Michigan Avenue Suite 300

Chicago, Illinois 60611

WHEREAS, a Temporary Order of Prohibition was issued by the Secretary of State on December 27, 2011, which temporarily prohibited Heritage, Inc. d/b/a Heritage Deposit Brokers (the "Respondent") from offering or selling, or dealing in securities, or from acting in the business of rendering Investment Advice in the State of Illinois until further order from the Secretary of State.

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of a Temporary Order shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Temporary Order final.

WHEREAS, the Respondent has failed to request a hearing on the matters contained in the Temporary Order within thirty (30) calendar days of the entry of said Temporary Order and the Respondent is hereby deemed to have admitted the facts alleged in the said Temporary Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the said Temporary Order as the Secretary of State's Findings of Fact as follows:

Unregistered Investment Adviser/Dealer activities and False and Misleading Advertisement on Website.

1. That the Respondent, Heritage, Inc, d/b/a Heritage Deposit Brokers ("Heritage") is an entity which maintains a web site that states the firm is located in Hong Kong, Chicago, and London. The website gives 500 North Michigan Avenue, Suite 300, Chicago, IL 60611 as the firm's Chicago location.

- 2. That according to its website, Heritage (1) offers "a wide range of safe, secure investment vehicles designed to maximize returns under highly efficient mutual arid pooled deposits", to corporate, intermediate and individual investors; (2) always acts, "as a fiduciary for our clients, never acting as a principal or on our own behalf" and (3) "[w]e manage assets for clients including individuals, corporations, unions and pension plans, plus endowments and foundations."
- 3. That the services as provided to the general public in paragraph two (2) above, constitute the activities of a Dealer and Investment Adviser as those terms are defined at Sections 2.7 and 2.11 of the Act.
- 4. That the Department has searched its Records and the Department has found no record of Registration for Respondent as a dealer, or an investment adviser in the State of Illinois, in accordance with the registration requirements of the Act.
- 5. That the Respondent failed to file with the Secretary of State applications for registration as required by the Act:
 - a. failed to filed a application for registration as a Dealer pursuant to Section 8.B of the Act.
 - b. failed to file an application for registration as an Investment Adviser pursuant to Section 8.D, or to notice file pursuant to Section 8.C(5) of the Act.
- 6. That Section 12.A of the Act provides that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
- 7. That Section 12.D of the Act provides, <u>inter alia</u>, that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
- 8.. That in failing to file applications to register as a dealer, and as an investment adviser pursuant to Section 8 of the Act, Respondent Heritage violated Sections 12.A and 12.D of the Act.

- 9. That Respondent's website contains false and misleading advertising.
 - a. Respondent states the firm has an office in Chicago and offers "a wide range of safe, secure investment vehicles designed to maximize returns under highly efficient mutual and pooled deposits"; and "manages assets for clients including individuals, corporations, unions and pension plans, plus endowments and foundations."
 - b. Respondent omitted to state that the firm was not registered as a dealer or as an investment adviser in the State of Illinois as they are required to be, to engage in the activities in 9.a above.
- 10. That Section 12.F of the Act provides that it shall be a violation of the provisions of this Act for any person to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.
- 11. That Section 12.G of the Act provides that it shall be a violation of the provisions of this Act for any person to provides, obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.
- 12. That Section 12.1 of the Act provides that it shall be a violation of the provisions of this Act for any person to employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly.
- 13. That by virtue of the foregoing paragraph 9, Respondent Heritage violated Sections 12 F, G, and I of the Act.
- 14. That Section 12.,1 of the act provides that when acting as an investment adviser, by any means or instrumentality, directly or indirectly:
 - (1) To employ any device, scheme or artifice to defraud any client or prospective client:
 - (2) To engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client; or
 - (3) To engage in any act, practice, or course of business which if fraudulent, deceptive or manipulative. The Secretary of State shall for the purposes of this paragraph (3), by rules and regulations, define and prescribe means reasonably designed to prevent such acts, practices, and courses of business as are fraudulent, deceptive, or manipulative.

Order of Prohibition

15. That by virtue of the foregoing paragraph 9, Respondent Heritage violated 12,J (1),(2), and (3) of the Act.

NOW IT IS HEREBY ORDERED THAT: Heritage, Inc ./d/b/a Heritage Deposit Brokers is PROHIBITED from offering or selling securities, or dealing in securities or acting in the business of rendering investment advice in the State of Illinois.

ENTERED: This 30 th day of 3012.

er Waite /w Secretary of State State of Illinois

NOTICE: This is a final order subject to administrative review pursuant to the Administrative Review Law, [735 ILCS 5/3 -101 et seq.] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1., Sec. 130.1123). Any action for judicial review must be commenced within thirty-five days from the date a copy of this Order is served upon the party seeking review.

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